

NSP 10/23/97



WALSH

ENGINEERING & PRODUCTION CORP.

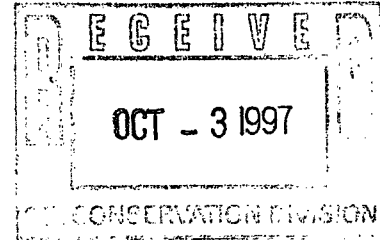
Petroleum Engineering Consulting
Lease Management
Contract Pumping

7415 East Main
Farmington, New Mexico 87402
(505) 327-4892

September 24, 1997

Mr. William J. LeMay
New Mexico Oil Conservation Division
2040 S. Pacheco
Santa Fe, NM 87504-2088

Re: Non-Standard Spacing Unit
Thompson Engineering
West Fork #1
940' FNL, 1560' FWL
Section 14, T26N R12W
San Juan County, NM
Basin Fruitland Coal



Dear Mr. LeMay,

This is a request for administrative approval for a Non-Standard Spacing Location in the Basin Fruitland Coal pool for the referenced well. Thompson Engineering proposes to abandon the uneconomic Gallup formation and recompleate this well in the Basin Fruitland Coal pool.

The West Fork #1 well was drilled in 1983 as a Gallup well. Production has dropped to the point where the well is no longer economically viable. The Gallup zone will be isolated with a cement retainer and the perforations squeezed with cement. The Basin Fruitland Coal formation will then be perforated and fraced. Utilizing this existing wellbore will permit the production of additional amounts of gas without the expense associated with drilling another well.

The West Fork #1 well meets the proper set-back requirements, but is located in an off-pattern location. The west half of Section 14 is dedicated to this well. Exhibit 1 is a well location plat indicating the offset Fruitland Coal operators and existing Fruitland Coal wells. Exhibit 2 is a list of offset operators and their addresses.

The offset Fruitland Coal operators are being notified of this application by certified return receipt mail. Copies of these letters are enclosed as Exhibit 3.



Thank you for your consideration and approval of this application. If you have any questions please do not hesitate to call upon me.

Sincerely,

A handwritten signature in black ink, reading "Paul C. Thompson" with a horizontal line extending from the end.

Paul C. Thompson, P.E.
President, Thompson Engineering

cc: Chris Coleman
NMOCD Aztec NM
BLM Farmington NM

District I
PO Box 1900, Hobbs, NM 88241-1900
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-25632		Pool Code 71629	Pool Name Basin Fruitland Coal
Property Code	Property Name West Fork		Well Number 1
OGRID No. 037581	Operator Name THOMPSON ENGR. & PROD. CORP.		Elevation 5365'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
C	14	26N	12W		940'	North	1560'	West	Sandoval

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedication Acres 320		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Paul C. Thompson</i> Signature Paul C. Thompson Printed Name President Title 9/29/97 Date	
	¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey Signature and Seal of Professional Surveyor: ORIGINAL ON FILE Certificate Number	

EXHIBIT #1

R12 W

10	11	12	
△	Thompson	△	
Merrion	J.K. Edwards		
Thompson	West Fork #1	13	
15	14		
△	Thompson		
Pendragon	Unleased		
J.K. Edwards			
△	△		
22	23	24	
	Dugan	Unleased	

T26 N

EXHIBIT 2

Thompson Engineering
West Fork #1
940'FNL & 1560'FWL
Sec. 14, T26N, R12W
San Juan County, New Mexico

The following offset Fruitland Coal Operators have received written notice of the off-pattern Fruitland Coal well.

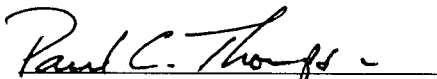
Mr. T. Greg Merrion
Merrion Oil and Gas
P.O. Box 840
Farmington, NM 87499

Mr. J. K. Edwards
J. K. Edwards and Associates
1401 17th Street Suite 1400
Denver, CO 80202

Mr. Al Nicol
Pendragon Energy Partners
621 17th Street, Suite 750
Denver, CO 80293

Mr. Sherman Dugan
Dugan Production Company
709 E. Murray Dr.
Farmington, NM 87401

I certify that copies of the Application for an off-pattern Fruitland Coal well have been mailed to the above Operators.


Paul C. Thompson

San Juan County)
) ss
State of New Mexico)

The following instrument was acknowledged before me this 24th day
of September 1997 by Paul C. Thompson.


Notary Public

My Commission Expires:

July 31, 2001

**WALSH**

ENGINEERING & PRODUCTION CORP.

Petroleum Engineering Consulting
Lease Management
Contract Pumping7415 East Main
Farmington, New Mexico 87402
(505) 327-4892CERTIFIED- RETURN RECEIPT

September 24, 1997

Mr. Sherman Dugan
Dugan Production Company
709 E. Murray Dr.
Farmington, NM 87401

Re: Non-Standard Spacing Unit
Thompson Engineering
West Fork #1
940' FNL, 1560' FWL
Section 14, T26N R12W
San Juan County, NM
Basin Fruitland Coal

Dear Mr. Dugan,

Enclosed you will find a copy of the above referred to application that has been submitted to the New Mexico Oil Conservation Division for administrative approval. As an offset operator you are being notified of this application pursuant to NMOCD rules.

If you desire to submit remarks concerning the application, please send them to Mr. William J. LeMay, Director, New Mexico Oil Conservation Division, Santa Fe, New Mexico, within 20 days from the receipt of this notice. A copy of any remarks to the undersigned would be appreciated.

Thank you for your consideration in this matter and if you have any questions, please do not hesitate to call upon me.

Sincerely,

Paul C. Thompson, P.E.
President, Walsh Enginggring

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ENGINEERING & PRODUCTION CORP.

Petroleum Engineering Consulting

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7415 East Main

Farmington, New Mexico 87402

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CERTIFIED- RETURN RECEIPTPetroleum Engineering Consulting
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